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STATE OF SOUTH CAROLINA }
} COVENANTS, CONDITIONS
} AND RESTRICTIONS FOR
COUNTY OF CHEROKEE } *Stonebrook*

WHEREAS, Declarant is the developer of a certain tract of land located near the Gaffney, known as ***Stonebrook Subdivision***, containing 34.70 acres, more or less, shown on a plat for Mark III Properties, LLC, made by 3D Land Surveying, dated 7/27/2026 and recorded in Plat Book 203 at Page 2674 on 9-21, 2026 in the Office of Register of Deeds for Cherokee County, South Carolina (said plat along with any amendments or modifications thereto shall be referred to herein as the "Plat") and reference to which Plat is hereby craved for a complete metes and bounds description.

WHEREAS, the Declarant desires to impose certain restrictive covenants upon the Property in order to ensure its use for residential purposes, to prevent impairment of the attractiveness of the Property, and to maintain the desired quality of the Subdivision with no greater restriction on the free and undisturbed advantages to the other Lot owners;

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold, conveyed, and used subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the title to the Property and be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I - DEFINITIONS

Section 1. **"Additional Property"** shall mean and refer to any additional real estate that is or may become contiguous, adjacent to, or neighboring the Property, all or a portion of which may be made subject to the terms of the Declaration in accordance with the provisions of this Declaration.

Section 2. **"Annual Assessment"** shall have the meaning set forth in Article IV, Section 4 of the Declaration.

Section 3. **"Approved Builder"** shall mean and refer to those builders which have been selected by Declarant to construct homes for sale in the Subdivision.

Section 4. **"Articles of Incorporation"** shall mean and refer to the articles of incorporation of the Association filed with the Secretary of State of South Carolina, as amended and modified from time to time.

Section 5. **"Association"** shall mean and refer to Stonebrook Homeowners Association, a South Carolina non-profit corporation, its successors and assigns.

Section 6. **"Board of Directors"** or **"Board"** shall mean and refer to the body

responsible for administering the Association, selected as provided in the Bylaws and serving the same role as the board of directors under South Carolina corporate law.

Section 7. **"Bylaws"** shall mean and refer to the bylaws of the Association, as amended and modified from time to time.

Section 8. **"Common Area"** shall mean and refer to those portions of the Property that are designated on the Plat as "Common Area" and/or "Open Space" including but not limited to, any real property or easements owned by the Association for the common use and enjoyment of the Owners together with any other portions of the Property or any Additional Property that shall be designated by Declarant or the Association (as the case may be) as "Common Area" in a recorded amendment to this Declaration or in some other recorded document. To the extent any roads or streets in the Subdivision are private roads or streets which have not been dedicated to any public agency or authority, said private roads or streets shall expressly be included as part of this definition of "Common Area" as used in this Declaration.

Section 9. **"Declarant"** shall mean and refer to **Mark III Properties, LLC**, a Delaware limited liability company, and its successors and assigns to whom the rights of Declarant are specifically assigned as evidenced by an instrument signed by Declarant and recorded with the Office of the Register of Deeds for Cherokee County, South Carolina. Declarant may, at its option, assign only a portion of its rights hereunder, or all of such rights in connection with the appropriate portions of the Property. In the event of such partial assignment, the assignee shall not be deemed to be the Declarant, but may exercise those rights assigned to it by the Declarant. Any such assignment may be made on a non-exclusive basis. At such time as Declarant no longer is the Owner of a Lot in the Subdivision, the rights of Declarant under this Declaration shall inure without further action to the Association.

Section 10. **"Declaration"** shall mean and refer to this Covenants, Conditions, Easements and Restrictions for Stonebrook Subdivision, as it may be amended or supplemented from time to time.

Section 11 **"Director"** shall mean and refer to the person or office designated as responsible for Stormwater Management Facilities by the municipal corporation or county in which the Subdivision is located.

Section 12. **"Governing Documents"** means collectively, this Declaration, the Articles of Incorporation, the Bylaws and any rules and regulations of the Associations, and all exhibits, amendments and supplements thereto.

Section 13. **"Initiation Fee"** shall have the meaning set forth in Article IV, Section 3 of the Declaration.

Section 14. **"Lot"** shall mean and refer to any number plot of land shown on the Plat,

excluding the Common Area.

Section 15. **"Member"** shall mean and refer to every person or entity who holds membership with voting rights in the Association.

Section 16. **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including Declarant if it owns a Lot and any Approved Builder that owns a Lot, but excluding those persons having such interest merely as security for the performance of an obligation.

Section 17. **"Permitted User"** shall mean and refer to any tenant, guest, invitee or other person who is physically present in and is entitled to occupy a house or townhouse within the Subdivision.

Section 18 **"Plat"** shall mean and refer to: (i) the plat of Stonebrook Subdivision, recorded in Plat Book 203, Page 2674 in the Office of the Register of Deeds for Cherokee County, and (ii) any revisions, supplements, or amendments thereof, and (iii) subsequent plats of Stonebrook Subdivision hereafter recorded by Declarant in the Office of the Register of Deeds for Cherokee County, and any revisions, supplements, or amendments thereto.

Section 19. **"Property"** and **"Properties"** shall mean and refer to the real property shown on the Plat(s) including the Common Area and Lots, and such Additional Property as may hereafter be annexed into the Subdivision as hereinafter provided.

Section 20. **"Special Assessment"** shall have the meaning set forth in Article IV, Section 5 of the Declaration.

Section 21. **"Special Individual Assessment"** shall have the meaning set forth in Article IV, Section 5 of the Declaration.

Section 22. **"Storm Water Management Facility"** shall mean any structural storm water management measure used to treat storm water runoff including, but not limited to, basins, ponds, proprietary devices, low impact development features, water quality buffers, filtration and/or other treatment devices.

Section 23. **"Subdivision"** shall mean and refer to the Property commonly known as Stonebrook Subdivision as the same is shown on the Plat including the Common Area(s), if any.

ARTICLE II-PROPERTY RIGHTS

Section 1. **Owners' Easements of Enjoyment.** Every Owner shall have a right and easement of enjoyment in and to the Common Area that shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable fees and/or Assessments for the expenses incurred by the Association for the maintenance, repair and replacement of any and all improvements located in or on the Common Areas including without limitation, exterior lighting, fences, landscaping and irrigation systems;

(b) The right of the Association and Declarant to suspend the voting rights of an Owner for any period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations and the right of the Association to impose a Special Individual Assessment for such infractions;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority;

(d) The right of the Association, in accordance with the Articles of Incorporation and its Bylaws, to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area;

(e) The right of the Association, in accordance with its Articles of Incorporation and its Bylaws, to borrow money for the purpose of improving the Common Area and facilities thereon. No such mortgage of the Common Area shall be effective unless an instrument agreeing to such mortgage of the Common Area is signed by two-thirds (2/3) of the votes entitled to be cast by the Members; and

(f) The right of the Association, but not the obligation, to deed and convey a portion of the Comon Area to an Owner for the purpose of eliminating unintentional encroachments of improvements onto portions of the Common Area or for any other purpose or reason.

Section 2. Delegation of Use. Any Owner may delegate his or her rights of enjoyment of the Common Area to Permitted Users, all as provided and regulated herein or otherwise by the Association.

Section 3. Leases of Lots. An Owner may lease his or her residence on his or her Lot, provided that any such lease must be for not less than twelve (12) months. Only entire residences may be leased. No subleases or assignments of leases of a residence are allowed. All leases shall be in writing and shall contain the following provisions:

(a) Each tenant shall comply, and all leases shall require the tenant to comply, with the covenants, terms, conditions and restrictions of the Governing Documents. A violation of any of the terms of any of the Governing Documents shall constitute a material breach of the lease and shall constitute grounds for damages, termination of the lease and eviction by the Association.

(b) The Association has the right to collect all rental payments due to the Owner and apply them against unpaid Assessments if, and to the extent that, the Owner is in default in the payment of Assessments.

(c) The Board of Directors shall have the power and authority to terminate the lease and/or bring proceedings to evict the tenant in the name of the Owner if either the tenant defaults under the lease or the Association forecloses a lien for unpaid Assessments on the Lot.

The Governing Documents then in effect must be given to the tenant by or on behalf of the Owner at or before the commencement of the lease term; provided, however, that such tenant's obligations under this Section shall not be affected by the failure to receive the Governing Documents. All tenancies are hereby made subordinate to any lien filed by the Association, whether prior or subsequent to such lease.

If an Owner fails to include any of the foregoing provisions in any lease, the provisions shall be deemed to be included and part of the lease.

Prior to the time a tenant takes possession of the residence, the Owner shall furnish the Association with a copy of the lease for the residence. Each Owner or tenant of a leased residence shall be obligated to deliver a copy of the lease to the Association within seven (7) days after request by the Association.

The Owner of a Lot, except an Approved Builder who is an Owner, is responsible for all conduct of each Permitted User of the residence, including any claim for injury, loss or damage to Persons or property caused by the acts or omissions of the Owner's Permitted User(s), except an Approved Builder who is an Owner. Each Owner shall be jointly and severally liable with the Permitted User to the Association for any amount which is required by the Association to repair any injury, loss or damage to the Common Areas resulting from acts or omissions of the Permitted User and to pay any claim for injury, loss or damage to property caused by the negligence of the Permitted User, and the Association may levy a Special Individual Assessment against the Owner of the Lot.

When a residence located on a Lot is leased, the Permitted User shall have all use rights in Common Areas and Association Property otherwise readily available for use generally by Owners, and the Owner of the leased residence shall not have such rights, except as a Permitted User of another Owner or the tenant. Nothing herein shall interfere with the access and eviction rights of the Owner as a landlord pursuant to South Carolina law. The Association shall have the right to adopt rules to prohibit dual usage by an Owner and a Permitted User of Common Areas.

The Approved Builder shall be permitted to use residences constructed on Lots it owns for any activities relating to marketing, selling, purchasing, reselling, leasing or promoting the sale as well as for models, sales, resales, leasing, and management offices, overnight accommodations by its designees or any other lawful purpose.

Section 4. Declarant's Covenant to Convey Title to Common Area. Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to its property designated herein as Common Area to the Association any time before such time as the Declarant conveys the last Lot to some person other than Declarant. Additionally, if Storm Water Management Facilities are located within the Common Area, the Declarant shall take the following actions at or prior to the time in which the Subdivision is fifty (50%) percent built: (1) convey fee

simple title to the applicable Storm Water Management Facilities to the Association, and (2) file any and all necessary documentation defining the responsible party for maintaining the Storm Water Management Facilities with the Director. The Common Area shall be free from any monetary liens but subject to easements of record, including any easements established by this Declaration. The Association shall accept the conveyance of all such Common Area and Storm Water Management Facilities pursuant to this Section. Similarly, Declarant will convey to the Association such additional Common Area as is annexed in the future, immediately following its annexation pursuant to the terms of this Declaration. The Association shall accept the conveyance of all such additional Common Area pursuant to this Section.

ARTICLE III- MEMBERSHIP AND VOTING RIGHTS

Section 1. **Membership.** Every Owner, including Declarant, of a Lot will be a member of the Association. Ownership of a Lot will be the sole qualification for such membership. If fee title to a Lot is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto will automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include any persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest will not terminate or otherwise affect an Owner's membership in the Association.

Section 2. **Voting Rights.** The Association shall have two classes of voting membership:

Class A Members. "Class A Members" means all Owners, with the exception of the Declarant and Approved Builder(s), and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the owners of the specific Lot determine, but in no event shall more than one vote be cast with respect to any Lot. Notwithstanding anything to the contrary herein, an Owner, other than the Declarant or Approved Builder, who owns (or through an affiliate of the Owner owns) more than five (5) Lots shall not be entitled to one (1) vote for each Lot, but rather shall be entitled to a total of five (5) votes for all of its Lots.

Class **B** Members. "Class **B** Members" means the Declarant and any Approved Builder(s) who own a Lot within the Subdivision, and shall be entitled to three (3) votes for each Lot owned by Declarant or Approved Builder(s), respectively.

The Class B Membership shall cease and be converted to Class A Membership when Declarant and any Approved Builder(s) elect by written notice to the Association to convert their Class **B** Membership to Class A Membership or when the last Lot in the Subdivision is transferred by deed to an entity or individual other than the Declarant or an Approved Builder.

Section 3. **The Bylaws.** Except as otherwise provided in this Declaration, rules and procedures of the Association, including, but not limited to, conducting elections, meetings (both

regular and special), and for casting of votes by members, and the number thereof required for quorums and approval or ratification, shall be as set forth in the Bylaws of the Association. The Bylaws of the Association shall be kept on file with the Association and made available to all Owners as required by applicable law.

Section 4. Management. The Association shall have the power to hire a management company to operate the day-to-day affairs of the Association, and the fees, costs and expenses of the management company shall be a common expense.

ARTICLE IV-COVENANT FOR MAINTENANCE AND ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot (except for Declarant and Approved Builder(s)) by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) a one-time Initiation Fee, (2) Annual Assessment or charges, (3) special assessments for capital improvements and (4) Special Individual Assessments, such assessments to be established and collected as herein provided. The "Initiation Fee" shall be a charge collected at the initial closing of a Lot to an entity other than the Declarant or an Approved Builder, and again each time the subject Lot is transferred of record. The Annual Assessments, Special Assessments, and Special Individual Assessments (collectively "Assessments" and individually an "Assessment") together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made as of that date upon which such Assessment is made and continuing until paid. Each such fee and Assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them, but shall remain a lien upon the transferred Lot.

Section 2. Purpose of Assessments.

(a) The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Subdivision and in particular for the improvement and maintenance of services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including, but not limited to,

i. the costs of repairs, replacements and additions, labor, equipment, materials management and supervision of the Common Area;
ii. the payment of taxes assessed against the Common Area;
iii. the maintenance of water and sewer mains in and upon the Common Area;
iv. the maintenance of open spaces and streets which have not been accepted for dedication by a public authority, roadway medians and islands (including medians and islands located in dedicated right-of-way), drives and parking areas within the Common Area,
v. the procurement and maintenance of insurance in accordance with the Bylaws;

vi. the maintenance of lakes, ponds, retention areas or other bodies of water located within the Common Area, if any, as well as the maintenance of dams and areas surrounding such water;

vii. the maintenance of any "sign easement" areas located on any Lot, as shown on the Plat;

viii. the maintenance of entranceways, landscaping and lighting of the Common Area, road medians, islands and entranceways, and the lighting of streets (whether public or private);

ix. the payment of charges for garbage collection and municipal water and sewer services furnished to the Common Area;

x. the costs associated with duties of the Architecture Review Committee;

xi. the employment of attorneys and other agents to represent the Association when necessary;

xii. the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible; and such other needs as may arise.

(b) The Association can but is under no obligation to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the Subdivision which the Association may be obligated to maintain. Such reserve fund, if established, is to be established out of the Annual Assessments or Special Assessments for common expense.

(c) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Subdivision, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the Bylaws. When a Lot Owner shall cease to be a member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association, which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Subdivision.

(d) The Declarant and the Association shall be responsible for maintenance and repair of the Storm Water Management Facilities until title to the Storm Water Management Facilities is transferred to the Association pursuant to Article II, Section 4 above, at which time the Association shall be solely responsible for the maintenance and repair thereof. Maintenance and repair of the Storm Water Management Facilities is mandatory per local, state, and federal regulations and violations of said regulations may result in civil and/or criminal penalties. Failure to maintain and repair the Stormwater Management Facilities may lead to civil and/or criminal penalties per the regulations referenced in the foregoing sentence.

(e) Funds for storm water management will be kept separate from other funds as a line item in the Association's overall budget.

Section 3. Initiation Fee. The Initiation Fee shall be set by the Declarant and paid by the purchaser of a Lot to the Association contemporaneously with each transfer of ownership of any Lot to a party other than the Declarant or an Approved Builder. The Initiation Fee shall not be prorated. The Initiation Fee shall be used for common expenses and can be used for unforeseen expenditures or to acquire equipment or services deemed necessary or desirable by the Board for common Association purposes.

Section 4. Annual Assessment. The initial Annual Assessment shall be set by the Declarant. Once the initial Annual Assessment has been set, the Annual Assessment shall be paid on a calendar year basis unless changed by the Board of Directors.

From and after January 1 of the year immediately following the conveyance of the first Lot to a Class A Member, the maximum Annual Assessment may be increased each year by the Declarant or the Board by not more than twenty (20%) percent above the maximum Annual Assessment for the previous year without a vote of the Owners. From and after January 1 of the year immediately following the conveyance of the first Lot to a Class A Member, the maximum Annual Assessment may be increased above twenty (20%) percent of the maximum Annual Assessment for the previous year only by an affirmative vote of two-thirds (2/3) of all the votes entitled to be cast by the Members, who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 5. Special Assessments and Special Individual Assessments.

(a) In addition to the Annual Assessments, the Association may levy, in any calendar year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement in the Subdivision, or for other special or extraordinary, but not recurring purposes, as identified and approved by the Board, provided that any such assessment shall be approved by an affirmative vote of 2/3 of all the votes entitled to be cast by the Members, who are voting in person or by proxy at a meeting duly called for this purpose at which a quorum is present. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot or otherwise.

(b) In addition to the Annual Assessments and the Special Assessments, the Board shall have the power to levy a Special Individual Assessment applicable to any particular Owner(1) for the purpose of paying the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Area, including the public roads (prior to their acceptance for public maintenance), whether occasioned by an act or omission of such Owner, members of such Owner's family, or such Owner's agents, guests, employees, or invitees and not as a result of ordinary wear and tear, or (2) for the payment of fines, penalties, or other charges imposed against any Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws, or any rules and regulations promulgated by the Association or Declarant

pursuant to this Declaration or the Bylaws. The due date of any Special Individual Assessment levied pursuant to this Section shall be fixed in the Board's resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least ten (10) days prior to the date upon which such Special Individual Assessment shall be due.

Section 6. Notice and Special Quorum for any Action Authorized under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 shall be sent to all Owners not less than thirty (30) days and no more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast forty (40%) percent of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half *(½)* of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both Annual Assessments and Special Assessments must be fixed at a uniform rate for all Lots.

Section 8. Date of Commencement of Annual Assessments. The Annual Assessments provided for herein shall commence as to all Lots owned by Class A Members as of the filing of this Declaration. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. Subsequent Annual Assessments will be due not more than once in a twelve-month period as determined by the Board. The Board shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

Notwithstanding the provisions of this Section 8, Lots owned by Declarant or Approved Builder(s) shall be exempt from the Initiation Fee, Annual Assessments, Special Assessments, and Special Individual Assessments during Declarant's or Approved Builder'(s) ownership of the Lot(s). The Initiation Fee, Annual Assessments, Special Assessments, and Special Individual Assessments for such Lot(s) shall commence upon the date of sale of the Lot to a Class A Member.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any Initiation Fee, Annual Assessment, Special Assessment, or Special Individual Assessment not paid within thirty (30) days after the due date shall be subject to a late fee plus interest as set forth in the Association's rules and regulations. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same, or foreclose the lien created herein against the Lot

subject to the Assessment in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages, and interest, costs, and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for payment of the Assessment provided for herein by nonuse of the Common Area or abandonment of his or her Lot nor shall damage to or destruction of any Improvements on any Lot by fire or other casualty result in any abatement or diminution of the Assessments provided for herein.

Section 10. **Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvements by Association.** Upon default by the Association in the payment to the appropriate governmental authority of any ad valorem taxes levied against the Common Area or assessments for public improvements to or for the benefit of the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in the Subdivision shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments (including any late payment penalties) in an amount determined by dividing the total taxes, assessments, and penalties due the governmental authority by the total number of Lots in the Subdivision. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or equity or may elect to foreclose the lien against the Lot of the Owner. This Section shall not become applicable until Class B Membership ceases to exist.

Section 11. Subordination of the Lien to Mortgages. The lien of the Assessments against a Lot provided for herein shall be subordinate to the lien of any first mortgage upon such Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such foreclosure sale or transfer. No foreclosure sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 12. Obligation of the Declarant with respect to Maintenance Assessments. Until the Declarant no longer owns a Lot within the Subdivision, the Declarant may, but shall not be obligated to, advance funds to the Association to cover any actual or projected shortfall between the Association's operating expenses and the collected Assessments (deficit funding). Any such advance shall be deemed a loan from the Declarant to the Association and shall not be considered a contribution or donation. The Association shall reimburse the Declarant for any deficit funding, without interest. The Declarant may waive reimbursement in whole or in part at its sole discretion. The Declarant shall provide the Board with a written accounting of all advances made under this Section, including the purpose and amount of each advance. The Board shall maintain such records as part of the Association's financial statements.

ARTICLE V – INTENTIONALLY OMITTED

ARTICLE VI – ARCHITECTURAL CONTROL

Section 1. **Plan of Design Approval.** All residences, outbuildings, and other structures initially constructed within the Subdivision by an Approved Builder (collectively, "Initial Improvements") shall be built in accordance with plans and specifications which have been previously approved by Declarant. Under no circumstances shall any additional architectural approval be required as to the Initial Improvements constructed by any Approved Builder. Other than the Initial Improvements constructed by an Approved Builder, no building, fence, wall, porch, deck, or any other structure or improvement (collectively, "Improvements"), including, without limitation, the alteration or painting of the exterior surface of any Improvement, shall be undertaken upon any Lot unless the plans and specifications and location of the proposed Improvement shall have been expressly approved in writing by the Architecture Review Committee. No subsequent alteration or modification of any Improvements or construction, erection or installation of additional Improvements may be undertaken or allowed to remain on any Lot without the review and express written approval of the Architecture Review Committee in accordance with the provisions of this Declaration.

Section2. **Architecture Review Committee.** Until such time as the Class B Membership expires, Declarant shall annually appoint the members of the Architecture Review Committee, the exact number of members of the Architecture Review Committee being designated by Declarant from time to time. Each member shall be generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a high level of taste and design standards within the Subdivision. In the event of the death or resignation of any member of the Architecture Review Committee, Declarant, for so long as it has the authority to appoint the members of the Architecture Review Committee, and thereafter the Board, shall have full authority to designate and appoint a successor. Members of the Architecture Review Committee may be removed and replaced at any time with or without cause, and without prior notice, by Declarant, for so long as Declarant has the right to appoint the members thereof, and thereafter by the Board. Subsequent to the expiration of Class B Membership (and earlier if Declarant specifically assigns this right to the Board), the Board shall designate the number of and appoint the members of the Architecture Review Committee on an annual basis. At any time, Declarant may elect not to designate the number of and/or appoint the members of the Architecture Review Committee and may assign this right to the Board. If such appointment to the Board occurs, all references to the Architecture Review Committee shall mean and include the Board.

Section 3. **Procedure.** No building, fence, wall, or other structure shall be commenced, erected, or maintained upon any Lot or Common Areas, nor shall any exterior addition to, or change, or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to the Architecture Review Committee and approved in writing by the Architecture Review Committee as to harmony of external design and location in relation to surrounding structures and topography.

Section 4. **Rejection of Plans and Specifications**. The Architecture Review Committee shall have the right to refuse to approve any plans, specifications, and/or plot plans, taking into consideration the suitability of the proposed building or other Improvements, the materials of which it is to be built, whether or not it is in harmony with the surroundings, and the effect it will have on other residences already constructed in the Subdivision.

Section 5. **Submittal of Plans to Architecture Review Committee**. Prior to the commencement of any construction, other than the Initial Improvements made by the Approved Builder(s), each Owner shall submit to the Architecture Review Committee, in duplicate, plans and drawings, in a one-eighth (1/8) scale or larger, which shall contain, at a minimum:

(a) front, rear and side elevations;
(b) floor plans showing major dimensions and openings;
(c) official site survey with location and dimension of any exterior improvements clearly noted:
(d) exterior building material to include color and type of material (vinyl, aluminum, cedar, etc.);
(e) exterior trim color;
(f) roofing material and color;
(g) other materials necessary to illustrate the character of the proposed construction;
(h) a statement of the estimated completion dates of all construction and improvements; and
(i) other standards set forth within this Declaration (and any amendments hereto) or as may be published by the Architecture Review Committee.

These requirements also pertain to any alterations and/or additions to existing structures.

The documents and other information required to be submitted shall be delivered or mailed to the Architecture Review Committee of Stonebrook or some other designee as may be appointed by Declarant or the Board. One complete set shall be retained by the Architecture Review Committee and the other complete set shall be returned to the applicant, with the Architecture Review Committee's approval or disapproval clearly noted thereon.

Section 6. **Effect of Failure to Approve or Disapprove**.

In the event the Architecture Review Committee, or its designated committee fails to approve or disapprove such plans within thirty (30) days after they have been received by the Architecture Review Committee, such denial will be automatic. The terms "Building" or "Improvements" shall be deemed to include the erection, placement, or alteration of any wall, fence driveway, or parking area, or any such activity undertaken subsequent to initial construction.

Section 7. **Hardships.** The Architecture Review Committee is authorized to modify or amend, during or before the construction or alteration of any Improvement, the provisions of this Declaration concerning set-back and location and size of Improvements for any particular Lot if in the reasonable opinion of the Architecture Review Committee, such shall be necessary to prevent undue hardship.

Section 8. **Enforcement.** In addition to the rights of the Declarant and the Association to enforce the provisions of this Declaration as set forth hereinafter, the Architecture Review Committee shall have the specific, nonexclusive right to enforce the provisions contained in this Article VI and/or to prevent any violation of the provisions contained in this Article VI by a proceeding at law or in equity against the Owner violating or attempting to violate any such provisions contained herein. The Architecture Review Committee shall also have the right to request that the Board levy upon an Owner a Special Individual Assessment for said violations. In the event that the Architecture Review Committee, the Declarant or the Association resorts to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement, or otherwise to remedy a violation of this Article VI, the Architecture Review Committee, the Declarant, or the Association, as applicable, shall be entitled to recover court costs, reasonable attorneys' fees and expenses incurred in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the offending Owner's Lot.

Section 9. **Reservation of Rights by Declarant.** The Declarant expressly reserves the right to assign any of the duties, powers, functions, and approval authority set forth in this Declaration to any assignee at Declarant's sole discretion.

Section 10. **Exculpation.** Neither Declarant, any Approved Builder nor any member of the Architecture Review Committee, shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architecture Review Committee, nor for any structural defects in any work done according to such plans and specifications approved by the Architecture Review Committee. FURTHER, NEITHER DECLARANT, ANY APPROVED BUILDER NOR ANY MEMBER OF THE ARCHITECTURE REVIEW COMMITTEE SHALL BE LIABLE FOR DAMAGES TO ANYONE BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, MISFEASANCE, MALFEASANCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS OR THE EXERCISE OF ANY OTHER POWER OR RIGHT OF THE ARCHITECTURE REVIEW COMMITTEE PROVIDED FOR IN THIS DECLARATION. EVERY OWNER WHO SUBMITS PLANS AND SPECIFICATIONS TO THE ARCHITECTURE REVIEW COMMITTEE FOR APPROVAL AGREES, BY THE SUBMISSION OF SUCH PLANS AND SPECIFICATIONS, AND EVERY OWNER OF ANY LOT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST THE DECLARANT, ANY APPROVED BUILDER, THE ASSOCIATION, THE BOARD, ANY MEMBERS OR OFFICERS OF THE ASSOCIATION OR OF THE BOARD, OR ANY MEMBER OF THE ARCHITECTURE REVIEW COMMITTEE, TO RECOVER ANY SUCH DAMAGES AND HEREBY RELEASES, REMISES, QUITCLAIMS, AND COVENANTS

NOT TO SUE FOR ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS, AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

Section 11. Maintenance of Lot. It shall be the responsibility of each Owner of a Lot to prevent the accumulation of litter, trash, packing crates, or any other accumulations which shall create an unkempt condition of the buildings or grounds on a lot and/or which shall otherwise tend to substantially decrease the beauty of the Subdivision as a whole or the specific area. No loose trash will be permitted to be strewn about the Subdivision at any time. Garbage containers must be kept out of sight from the street, except during garbage collection hours. All personal use items shall be stored inside when not in use. These items include, but are not limited to, yard tools, sprinklers, wheel barrows and children's toys which would create a nuisance for the community. Owners shall follow the requirements for maintenance set forth in any applicable landscaping guidelines provided to the Owners by the Declarant and/or the Association. All Improvements on the lot shall be kept within reasonable neighborhood standards as determined by the Architecture Review Committee. In the event the requirements of this section are not adhered to, the Association shall send written notice to the Owner via certified mail giving an additional period for compliance of ten (10) days, unless a hardship or special circumstance requires additional time. If the violation continues, the Association may at its sole discretion hire contractors or other personnel to correct said violation and bill the Owner for all costs incurred. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right and easement to unobstructed vehicular and pedestrian access over and upon each Lot at all reasonable times to perform maintenance as provided for in this Article. In the event the Association performs such exterior maintenance, repair, or replacement, the cost of such maintenance, replacement, or repairs shall be assessed to the Owner as a Special Individual Assessment and shall become a lien against the Lot of such Owner.

ARTICLE VII- USES PERMITTED AND PROHIBITED

Section 1. Residential Use of Property. All Lots in the Subdivision shall be used for single-family, residential purposes only and no business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Board; provided however, that nothing herein shall prevent Declarant or any Approved Builder from using any Lot owned by Declarant or such Approved Builder for the purpose of carrying on business related to the development, improvement and sale of Lots in the Subdivision.

Section 2. Use of Outbuildings and Similar Structures. No tent, shack, garage, barn, storage building, or other out-buildings shall be erected upon any Lot without approval from the Architecture Review Committee and, if approved, such structure(s) shall not be used as a residence either temporarily or permanently. No structure of a temporary nature (including but not limited to tents) or an unfinished house shall be used as a residence and no house trailer, modular home, manufactured home, mobile home, or watercraft longer than twelve feet (12') shall be placed on any Lot either temporarily or permanently.

Section 3. **Trailers, Boats, Boat Trailers.** Any boat or boat trailers, camping trailer, recreational vehicle, utility trailer and/or similar equipment used for the personal enjoyment of a resident of a Lot shall at all times be neatly stored and positioned so as to be inconspicuous or shall be within a covered and screened area and such placement is subject to Architecture Review Committee approval. The Architecture Review Committee may ask that such equipment be removed at any time it is deemed to be a nuisance by the Board or the Architecture Review Committee. A Special Individual Assessment will be imposed for all costs and expenses incurred by the Association and/or the Architecture Review Committee in connection with any violation of this Section. Note that this section is subject to the prohibition on watercraft longer than 12' being kept on a lot either temporarily or permanently as set forth in Article VII, Section 2 above.

The term "inconspicuous" as used in the preceding paragraph shall be deemed to mean: (a) "invisible" or "not visible" from the street or any neighbor's Lot, or (b) completely obstructed by a privacy fence such that it appears invisible from any angle exterior to the subject Lot.

Section 4. **Offensive Activities.** No obnoxious or offensive activity shall be permitted anywhere on a Lot or Common Area(s) nor shall anything be done which may become an annoyance, nuisance, or menace to the Subdivision. No Lot or any part thereof shall be used for any business, commercial, or public purpose, except as set forth in Article VII, Section 1 above. The Board of Directors shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provision.

Section 5. **Livestock.** No animals shall be kept, maintained, or quartered on any Lot or tract in the Subdivision except that cats, dogs, rabbits, hamsters, or caged birds may be kept in reasonable numbers and in a reasonable manner (no chained animals) as pets for the pleasure of Owners so long as said animals do not constitute a nuisance or menace to the neighborhood.

Section 6. **Aesthetics, Natural Growth, Screening.** Tall shrubbery or hedges shall be trimmed to reasonable limits where traffic hazards may be created. Further, all Owners shall be required to maintain their Lots and any Improvements thereon at all times in a neat, attractive and presentable manner so as not to detract from the overall appearance of the Subdivision or the surrounding property.

Clotheslines and portable basketball goals shall not be allowed. No bird baths, vegetable gardens, frog ponds, lawn sculpture, artificial plants, birdhouses, rock gardens or similar types of accessories and lawn furnishings, sand boxes or other children's play equipment shall be permitted in the front or side yards of any Lot and the installation or location of a swing set and/or permanent basketball goal on a Lot must receive prior written approval of the Architecture Review Committee.

Section 7. **Vehicles.** Each Owner subject to these restrictions shall provide space for the off-street parking of automobiles prior to the occupancy of any building or structure constructed on a Lot in accordance with reasonable standards established by the Architecture Review Committee.

Vehicles shall not be parked in any front or side yard except in areas designated as a driveway or parking area. Vehicles in disrepair shall not be stored within the Subdivision. No passenger vehicles without current registration and license tags will be allowed in the Subdivision or on any Owner's Lot. Vehicles being repaired out of doors must have work completed within twenty-four (24) hours. Visiting guests only may use paved streets for temporary parking of their vehicles. No commercial vehicles in excess of 10,500 pounds gross vehicle wieght, with the exception of police cruisers, may be stored or housed in the Subdivision at any time, or may be parked overnight in the Subdivision, unless parked inside tbe garage.

Street parking shall be for temporary parking only and is prohibited as a long-term parking solution. The Board or its designee shall have the specific right to impose Special Individual Assessments for extended on-street parking. Special consideration may be granted by the Board for extenuating circumstances.

Section 8. Garbage and Refuse Disposal. No portion of a Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage or other waste shall only be temporarily stored awaiting pickup and must be kept in adequate sanitary containers. All equipment for the storage or disposal of trash, garbage or other waste shall be kept in a clean and sanitary condition. Any container used to store garbage, refuse and debris until collected by a public or private waste disposal service shall be stored on each Lot so that it shall be out of sight from all streets. All containers shall be removed from the street within twenty-four (24) hours of garbage pick-up.

Section 9. Outdoor Fires. No outside burning of wood, leaves, trash, garbage or other refuse shall be permitted on any Lot, except that an outdoor fireplace or permanent outdoor firepit may be approved by written approval from the Architecture Review Committee as further described herein.

Section **10. Fireworks.** The use of fireworks on any Lot or Common Area within the Subdivision is strictly prohibited.

Section **11. Fences and Walls.** All fences, walls, and other screens or types of barriers must be approved prior to installation pursuant to Article VI, Section 1. Both material and locations of any fences, walls, and other screens or types of barriers must be expressly approved in writing by the Architecture Review Committee.

Section 12. Above Ground Pools. No above-ground pool shall be constructed or placed on any Lot, except that inflatable pools for small children are acceptable.

Section 13. Garages. No residence shall be constructed without having at least a one-car garage which will be maintained permanently as a functional garage, with the exception that sales models constructed by Approved Builder(s) are not required to have functional garages while they are being used as sales models; however, there must be space to be converted to functional garage space upon conveyance of the Lot to a Class A Member.

Section 14. Driveways and Entrances to Garages. All driveways and entrances to garages shall be concrete or some other substance approved in writing by the Board or the Architecture Review Committee and of a uniform quality.

Section 15. Signage. No signs shall be permitted on any Lots except that a single sign offering the Lot for sale may be placed on such Lot, provided such sign is approved by the Architecture Review Committee. Further, so long as Class B Membership exists, Declarant reserves the right to place additional signs as needed within the Subdivision. The Board, through the Architecture Review Committee, reserves the right to allow additional signs as deemed appropriate by the Arichtecture Review Committee and in accordance with the ARC Guidelines. Notwithstanding the forgoing, a single sign may be placed on a Lot giving notice that a home security system is in place.

Section 16. **Mailboxes.** All residences shall have a special mailbox which will be available from a source to be specified by the Declarant. Common box units as required by the USPS shall be located throughout the neighborhood. Initial placement of these units shall be determined by the Declarant and/or Approved Builder with maintenance being the responsibility of the Association.

Section 16. No Fly Zone. The operation of Unmanned Aircraft Systems (UAS) and Unmanned Aerial Vehicles (UAV), commonly known as drones, is prohibited anywhere within the Property and within the air space above the Property from the surface to 500 feet above ground level ("No Fly Zone"). No person or entity shall launch, land or fly any UAS or UAV within the No Fly Zone nor shall any person or entity use a UAS or UAV for the purpose of photographing or surveillance of any person without that person's written permission. No person shall request or solicit a UAS or UAV flight into or within the Property for any purpose, including the delivery of goods or services. Each separate flight and each photograph taken without authorization shall constitute a separate violation of this section. Notwithstanding the foregoing, the Board of Directors may establish and amend rules and regulations regarding UAS and UAV operations within the No Fly Zone and/or issue general or specific licenses to Members, occupants, guests or outsiders allowing UAS and UAV operations within the No Fly Zone established herein.

Section 17. General Rules and Regulations. The Board shall have the power to formulate, publish, and enforce reasonable general rules and regulations concerning the use and enjoyment of the Lot and the Common Area(s) and the imposition of fines or fees for violation of the covenants contained herein or any rule or regulation imposed by the Association regarding the Subdivision. These rules and regulations shall be further recorded in the Office of the Register of Deeds for Cherokee County.

ARTICLE VIII – EASEMENTS

Section 1. Easements Along Lot Lines. In addition to other easements as are shown on the Plat, a five foot easement is reserved over and across each side and rear lot line, and a ten foot easement is reserved over and across the front lot line of each Lot, for drainage, utility, cable

television, gas, water, power, sewer, and telephone installation and maintenance; provided that should two Lots be consolidated to support one residence, then and in that event, the easements herein above provided shall apply only with respect to the exterior lines of such consolidated Lot.

Section 2. **Reservation of Right to GrantUtility Easements**. Declarant specifically reserves the right to grant specific easements to any utility services at any time following the date hereof until any specific Lot shall be conveyed by Declarant. The right is reserved to authorize the laying and placement of sewer, gas, and water pipelines, telephone, cable television, telegraph, and electrical light poles and drainage lines, drop inlets, and culverts on any of the streets and easements shown on the Plat. An easement for the installation and maintenance of utilities and drainage facilities is hereby reserved over all streets and easements.

Section 3. **Access Easement.** Easements for access to the Subdivision are reserved as indicated on the Plat and in recorded easements. The Declaranthereby grants, gives and conveys to each Owner and Approved Builder(s) a perpetual, nonexclusive easement over the areas designated as a "Court," "Drive," "Road," "Street," "Way," "Lane," or "Avenue," or "Trail," on the Plat for vehicular and pedestrian ingress and egress to and from the Subdivision. The easements granted under this Section are reserved and shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or a part of the Subdivision, subject to Declarant's right to amend the Plat in the future. Declarant specifically reserves the right to dedicate or convey any street, road or driveway to any governmental entity at any time following the date hereof without the consent or approval of any Owner or the Association.

ARTICLE IX-SETBACK, LOCATION, AN D SIZE OF IMPROVEMENTS

Section 1. **Setbacks**. No building shall be erected on any Lot nearer to the front lot line or nearer to the side street line than the building setback line shown on the Plat. Any such building shall face toward the front line of the Lot except that buildings to be constructed on corner Lots shall face in the direction designated by the Architecture Review Committee. No building shall be located nearer to any interior side lot line than the distance determined by applicable building codes.

Section 2. **Detached Buildings**. Detached buildings, approved as provided in this Declaration shall be of acceptable exterior material, which coordinates with the house on the Lot and of a size no greater than 12' x 12' and shall be placed no nearer to any Lot line than the distance determined by applicable building codes. **THE LOCATION OF ALL DETACHED BUILDINGS SHALL BE APPROVED IN ADVANCE BY THE ARCHITECTURE REVIEW COMMITTEE.**

Section 3. **Barriers and Obstructions**. No wall, fence, or hedge shall be erected between the street and the front corner of the main body of a house on any Lot. Subject to approval by the Architecture Review Committee, fences, of any approved style, with a maximum height of six (6') feet can be placed no closer to the street than the middle of the house on any Lot.

Section 4. No Subdivision of Any Lot. No Lot shall be recut so as to face in any direction other than is shown on the Plat nor shall it be recut so as to make any building site smaller than is provided for on the Plat.

Section 5. Combination of Lot. One or more Lots or parts thereof may be combined with the adjacent Lots to form a single building Lot when (i) such combination is permitted by all applicable laws and regulations and (ii) such combination is approved, in writing, by the Board. In such event, the building line requirements provided herein shall apply to such Lots as combined and side line easements as shown on the Plat(s) shall be moved to follow the new side line so that the easement will run along the newly established side line.

ARTICLE X - GENERAL PROVISIONS

Section 1. Enforcement. The Declarant, any Approved Builder (so long as it owns a Lot), the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration, the Articles of Incorporation, or Bylaws. The Declarant or the Association shall have the right to impose Special Individual Assessments for infractions of such restrictions. In the event that the Declarant, any Approved Builder, any Owner, or the Association resorts to litigation to remedy a violation of this Declaration, such Owner, Declarant, Approved Builder, or the Association, as applicable, shall be entitled to recover court costs, reasonable attorneys' fees and expenses incurred in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the offending Owner's Lot. Failure by the Declarant, the Association, an Approved Builder, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Declarant, the Association, the Approved Builder, and any Owner shall have the right to request that law enforcement, public safety and animal control officers come on the Subdivision to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by a judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amplification. The provisions of this Declaration are amplified by the Articles of Incorporation and Bylaws, but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of this Declaration on the one hand, and the Articles of Incorporation and Bylaws on the other, be interpreted, construed and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, the provisions of this Declaration shall prevail over any inconsistent provision contained in the Articles of Incorporation or Bylaws to the contrary, to the extent permitted by law.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after

which time they shall be automatically extended for successive periods of ten (10) years. Declarant specifically reserves the right to amend this Declaration, or any portion hereof, on its own motion without the consent of any other Owners or Members so long as Declarant owns at least one (1) Lot in the Subdivision. After Class B Membership has ceased, this Declaration may be amended by a recordable instrument signed by Members representing not less than sixty-seven (67%) percent of the outstanding votes. Any amendment must be recorded with the Office of the Register of Deeds of Cherokee County, South Carolina. As long as Declarant or any Approved Builder owns any Lot in the Subdivision, no amendment shall be effective without the written consent of Declarant or Approved Builder; provided however, that an amendment proposed by Declarant on its own motion shall not require the written consent of any Approved Builder.

Section 5. Annexation.

(a) Additional Property may be annexed into the Subdivision and made subject to this Declaration by the Declarant by filing a supplemental declaration of record. Subject to subparagraph (b) below, such annexation must be approved by two-thirds (2/3) of all votes entitled to be cast by the Members.

(b) Notwithstanding the above, Additional Property may be annexed by the Declarant without the consent of the Class A Members within ten (10) years of the date of this instrument; provided, however, that should Declarant elect to improve and develop all or part of the Additional Property, Declarant shall not have the right to impose covenants and restrictions which materially differ from those contained herein without the written approval of the Association.

Section 6. Notices. All notices, requests, demands, and other communications allowed, made, or required to be made pursuant to the terms of this Declaration shall be in writing and shall be deemed to be given or made when personally delivered (including personal delivery by Federal Express or other nationally recognized overnight private courier service) or the date that is three (3) days after the date of postmark of any notice when deposited with the United States Mail, addressed in any such event to the party to whom such communication is directed at such address as is set forth below or at such other address as may hereafter be designated in writing by the respective parties hereto:

If to Declarant:

Mark III Properties, LLC
P.O Box 170248
Spartanburg, SC 29301

If to Association or Architecture Review Committee:

Stonebrook
Attn: The current registered agent and it's address on file with the South Carolina

Secretary of State's office.

If to Owner (other than Declarant or Approved Builder):

at the address of Owner's Lot

If to an Approved Builder:

at the address provided by the Approved Builder to the Declarant or Association

ARTICLE XI - MISCELLANEOUS

Section 1. Notice of Conveyance. The Owner of each Lot shall cause written notice to be delivered to the Association upon the conveyance of any Lot by the Owner, advising the Association of the conveyance.

Section 2. Declarant's Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or in the Bylaws, as applicable. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public records of Cherokee County, South Carolina. Nothing in this Declaration shall be construed to require the Declarant or any transferee to develop any of the property adjacent to or contiguous with the Property.

Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and initial sales of units shall continue, it shall be expressly permissible for the Declarant and Approved Builders to maintain and carry on upon portions of the Common Area and public streets such facilities and activities as, in the sole option of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such units, including, but not limited to business offices, signs, model units, sales offices, and rental units. The Declarant and Approved Builders authorized by Declarant shall have easements for access to and use of such facilities as well as vehicular access for construction along public streets. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to units owned by the Declarant and any common area or other facilities which may be owned by the Association, as models, sales offices, or rental units.

In addition, notwithstanding any contrary provision of this Declaration, the Bylaws, or any Association rules, the Declarant shall have the right to replat or revise the recorded plats relating to any portion of the Property without the consent of any Owner other than the Owner(s) of the Lots in which the boundaries are altered.

So long as Declarant owns Property within the Subdivision, Declarant may, without the express written consent of any Owner, the Board, the Association or the Architecture Review Committee, include in any contract or deed hereafter executed covering all or any portion of the Subdivision, any additional covenants or restrictions applicable to such lands, so long as they are consistent with and do not lower the standards set forth in this Declaration and do not violate any covenants or restrictions then in effect and recorded against the Subdivision. Further, the Declarant may make any amendments to the Declaration which are necessary to comply with the guidelines established by, or the requirements of, any governmental authority, title insurer or institutional lender without the express written consent of any Owner, the Association, the Board of Directors, or the Architecture Review Committee.

So long as the Declarant continues to have rights under this Article, no person or entity shall record any declaration of covenants, conditions and restrictions, or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or similar instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the public records.

[Signature Page Below]

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hands and seals this 29th day of July, 2026.

MARK III PROPERTIES, LLC

WITNESSES:

BY: _____
Print Name: John W Beeson Jr
Title: President

STATE OF SOUTH CAROLINA)
)
COUNTY OF Spartanburg)

ACKNOWLEDGMENT

I, Susan M Elter, Notary Public for the State of South Carolina, do hereby certify that John W Beeson JR, in his/her capacity as President of Mark III Properties, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 29th day of July, 2026.

Notary Public for South Carolina
Printed Name of Notary: Susan M Elter
My Commission Expires: 7-28-33

SUSAN M. ELTER
Notary Public, State of South Carolina
My Commission Expires 7/28/2033

2026 - 4575
Filed for Record in
CHEROKEE COUNTY, SC
CHRIS PARKER, REGISTER OF DEEDS
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ARTICLE I
NAME AND LOCATION

Section 1.1 Name. The name of the corporation Stonebrook Homeowners' Association, Inc. hereinafter referred to as the "Association."

Section 1.2 Location. The principal office of the Association shall be located in Spartanburg County, South Carolina.

Section 1.3 Registered Agent. The registered agent for the Association shall be Hinson Management unless otherwise agreed upon by the Board of Directors. The registered office of the Association must be located in South Carolina and may be, but need not be, identical with the principal office.

Section 1.4 Purpose. The purpose for which the Association is organized is to further the interests of Owners of Lots in Stonebrook Subdivision located in Cherokee County, South Carolina, and in connection therewith to provide services to such property Owners, manage and maintain the Common Areas, and administer and enforce all covenants and restrictions dealing with the Property and any other purposes allowed by law.

Section 1.5 Business by Electronic Means. The Association, the Board and the Members may transact business by electronic means but only to the extent allowed under South Carolina law and to the extent authorized and approved by the Board from time to time.

ARTICLE 2
DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the meanings set forth in that certain Covenants, Conditions and Restrictions for Stonebrook Subdivision which has or will be executed by Mark III Properties, LLC and duly recorded in the Land Records for Cherokee County, South Carolina as the same may be supplemented and amended from time to time (the "Declaration").

ARTICLE3
MEETINGS OF MEMBERS

Section 3.1 Membership. The Members of the Association, hereinafter referred to as "Members", shall at all times be limited to the Declarant (as defined in the Declaration), any Approved Builder, and Owners of Lots in the Subdivision.

Section 3.2 Annual Meeting. The first annual meeting of the Members shall be held on such date as determined by the Board of Directors within one year from the date of incorporation

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of the Association or during the first calendar year that Assessments are charged to the Owners. Thereafter, the annual meeting of the Members shall be at a date and time established by the Board of Directors.

Section 3.3 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes appurtenant to the Lots.

Section 3.4 Place of Meetings. All meetings of the Members may be held at such place, within Cherokee County, South Carolina as shall be determined by the Board of Directors of the Association. The Board of Directors may permit any or all Members to participate in a meeting by, or conduct the meeting through, the use of any means of communication by which all Members participating in person and/or remotely may simultaneously hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting. The Board may establish reasonable preconditions, rules and/or procedures regarding voting and remote participation, including without limitation, that Members register in advance or provide other information before participating remotely.

Section 3.5 Notice of Meetings. Written notice, stating the time and place of the meeting (and, in the case of a special meeting, the purpose of the meeting), shall be delivered not less than ten (10) nor more than sixty (60) days before the date of any such Membership meeting by or at the direction of the President or the Secretary by electronic means, hand delivery or mail. If notice is provided by electronic means, the notice shall be sent to the email address provided by a Member to the Association. If notice is provided by mail, the notice shall be sent to the mailing address of each Lot or to any other mailing address designated in writing by a Member. If remote participation by Members shall be allowed for the meeting, the notice shall include instructions for Members to connect remotely or the contact information for a person whom Members can contact to obtain that information. Notice given to any one tenant in common, tenant by entirety or other joint Owner of a Lot shall be deemed notice to all Owners of the subject Lot.

Section 3.6 Membership List. An alphabetical list of the names of all Members who are entitled to vote and their addresses shall be prepared by the Secretary and shall be available for inspection by any Member beginning on the next business day after notice of any meeting is given and continuing through the meeting, at the Association's principal office or at a place identified in the meeting notice in the city where the meeting will be held. This list shall also be available at the meeting for inspection by any Member.

Section 3.7 Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights.

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the

voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant or an Approved Builder which have not been conveyed to purchasers who are not affiliated with an Approved Builder or Declarant. Declarant and an Approved Builder shall be entitled to three (3) votes for each Class B Lot which each party owns.

Section 3.8 Relinquishment of Control. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(i) the date on which the last Lot in the Subdivision is transferred by deed to an entity or individual other than the Declarant or an Approved Builder;

(ii) when Declarant and any Approved Builder elect by notice to Association in writing to convert their Class B membership to Class A membership.

Section 3.9 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of all the votes of each class of membership appurtenant to the Lots shall constitute a quorum for any action except as otherwise provided for special circumstances in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 3.10 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing dated within eleven months prior to the Meeting and shall be delivered to the secretary by mail or electronic means. Every proxy shall be revocable by (i) appearing at the Meeting and voting in person, (ii) filing a valid substitute proxy or cancellation of proxy with the Secretary prior to the call to order of the Meeting, or (iii) conveyance by the Member of his Lot.

Section 3.11 Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration, or these Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members. The Members present at a duly called or held meeting at which a quorum is present may continue to do business at the meeting or any adjournment thereof notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 3.12 Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

Section 3.13 Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if: (i) a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book; or (ii) such action is approved by written ballot as authorized by the South Carolina Code of Laws, 1976, as amended.

ARTICLE 4
BOARD OF DIRECTORS

Section 4.1 Number. The business and affairs of the Association shall initially be managed by a Board of three (3) directors, who will be appointed by Declarant during and for so long as there is a Class B membership. After the cessation of the Class B membership, the Board shall consist of at least three (3) directors.

Section 4.2 Initial Directors. The initial directors shall be selected by the Declarant. Such initial directors shall serve for one year terms at the election of the Declarant or until such time as their successors are duly elected or appointed and qualified.

The names of the persons who shall serve on the initial Board of Directors are as follows:

Name

John W. Beeson, Jr.
Laura Henthorn
Suzanne H. Dantin

Section 4.3 Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. If applicable, the Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee may be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment may be announced at each annual meeting. The Nominating Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. In lieu of a Nominating Committee, and at the Board's discretion, candidates for the Board may be obtained by written electronic notice to the Members.

Section 4.4 Appointment. Successor Directors to the Initial Directors, as defined in Section 4.2 hereof, may be appointed by the Initial Directors. These appointed successor Directors shall serve until the next annual meeting of the Members at which Directors are duly elected.

Section 4.5 Election. Directors may be elected at the annual meeting of the Members by written ballot or in advance by electronic ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4.6 Term of Office. The term of all successor directors elected by the Members shall expire at the next annual meeting of Members; provided, however, the directors shall continue to serve until their successors are elected and qualified or until their earlier resignation, removal from office, incapacity, or death. Except for the initial Board of Directors, election of directors shall be conducted so as to create staggered terms with three classes: one (1) director shall serve a three (3) year term; one (1) director shall serve a two (2) year term; and any remaining directors shall serve one (1) year terms.

Section 4.7 Removal. After the Class B Membership shall cease, any Director may be removed from the Board of Directors, with or without cause, by a fifty-one percent (51%) vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the Board of Directors. Until such time as the Class B Membership shall cease, Board members shall serve at the leisure of Declarant and can be removed with or without cause by Declarant.

Section 4.8 Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 4.9 Salaries of Employees and Agents. Except as provided elsewhere in these Bylaws, the Board of Directors may set the salaries of all employees and agents of the Association, if any.

ARTICLE 5
MEETINGS OF DIRECTORS

Section 5.1 Regular Meetings. Meetings of the Board of Directors may be held on a regular basis as often as the Board of Directors see fit, on such days and at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 5.2 Special Meeting. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 5.3 Notice of Meetings. Notice of each special meeting of the Board of Directors, stating the time, manner, and place of the meeting, shall be given by or at the direction of the Secretary of the Association by mailing the same to each director at his residence or business address not fewer than three days before such meeting, or by giving the same to him personally or by telegraphing or telephoning the same to him at his residence or business address not later than the day before the day on which the meeting is to be held.

Any and all requirements for call and notice of meetings may be dispensed with if all directors are present at the meeting or if those not present at the meeting shall at any time waive or have waived notice thereof.

Section 5.4 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.5 Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board of Directors action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.

Section 5.6 Chairman. A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board of Directors meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and serve until a new President is elected.

Section 5.7 Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

ARTICLE 6
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1 Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, including but not limited to the recreational facilities and the personal conduct of the Members, their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a Member, including the rights to use the recreational facilities, or other Common Area during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties;

(f) employ attorneys to represent the Association when deemed necessary;

(g) grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under, and across the Common Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Subdivision;

(h) appoint and remove at pleasure all officers, agents, and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient;

(i) do anything necessary or desirable, including, but not limited to, establishing any rules or regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law;

(j) to enforce the provisions of the Declaration and any additional or supplementary declaration and any rules or regulations made hereunder or thereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules and/or by Special Individual Assessments against any Owner for violation of such provisions, rules, or regulations pursuant to the provisions of the Declaration; and

(k) to levy Assessments as more particularly set forth in the Declaration.

Section 6.2 Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members entitled to at least one-third (1/3) of the votes appurtenant to the Lots;

(b) Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration:

(1) Fix the amount of the Assessments as more particularly described in the Declaration;

(2) Send written notice of each assessment to every Owner subject thereto before its due date; and

(3) Foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid (A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.);

(e) Procure and maintain adequate liability insurance covering the Association and the directors and officers thereof and adequate hazard insurance on the property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the Common Areas to be maintained.

ARTICLE 7
OFFICERS AND THEIR DUTIES

Section 7.1 Officers. The officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section 7.2 Election of Officers. The election of officers may take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3 Term. Each officer of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 7.4 Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine.

Section 7.5 Resignation, Removal and Vacancies. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the Treasurer, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7.6 Multiple Offices. The same individual may simultaneously hold more than one office.

Section 7.7 Compensation. No officer shall receive any compensation from the Association for acting as such.

Section 7.8 Duties. The duties of the officers are as follows:

President

(a) The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds, and other written instruments.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board of Directors.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members, shall keep the corporate seal of the Association (provided that the Association chooses to have such a seal, pursuant to Article 10 of these Bylaws) and affix it on all papers requiring said seal, shall serve notice of meetings of

the Board of Directors and of the Members, shall keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

Treasurer

(d) The Treasurer shall oversee the financial affairs of the Association and ensure that proper financial records are maintained. The Treasurer shall perform all duties incident to the office of the Treasuer. s.

ARTICLE 8
COMMITTEES

Section 8.1 Executive Committee. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate an Executive Committee to consist of two or more of the Directors of the Association, which, to the extent provided in said resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association and to do all things, including actions specified by these Bylaws to be performed by the Board of Directors, in the same manner and with the same authority and effect as if such acts had been performed by the Board of Directors; but the Board of Directors shall at all times have the power to reverse an action taken by the Executive Committee, provided that the exercise of such power by the Board of Directors shall not in any way abrogate the obligations or duties owing by the Association to third parties who have acted in reliance on the action taken by such committee.

All proceedings and action taken by such committee shall be reported to the Board of Directors at the regular meeting of the Board of Directors or special meeting called for such purpose next following such proceedings or action.

Section 8.2 Nominating Committee. The Association may appoint a Nominating Committee, as provided in these Bylaws.

Section 8.3 Other Committees. The Board of Directors may create such other committees as the Board of Directors may from time to time appoint.

Section 8.4 Compensation. Members of committees, as such, shall not receive any salary or compensation for their services; provided, however, that a committee member may serve the Association in another capacity and receive compensation therefor.

ARTICLE 9
BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration (along with any amendments thereto or Supplemental Declaration(s) recorded on or after the date of these Bylaws), the Articles of Incorporation, and the Bylaws of the Association shall be available for

inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE 10
CORPORATE SEAL

The Association may, but is not required by law, to have a seal in circular form.

ARTICLE 11
AMENDMENTS

Section 11.1 These Bylaws may be amended at a regular or special meeting of the Members, by a vote of at least fifty-one percent (51 %) of all votes present at a duly held meeting of the Members at which a quorum is present in person or by proxy.

Notwithstanding anything in this Section 11.1 to the contrary, the Class B Members may at their option amend these Bylaws without obtaining the consent or approval of any other person or entity.

Section 11.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 12
MISCELLANEOUS

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation and end on the 31st day of December of the year of incorporation.

ARTICLE 13
INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the extent permitted by law, the Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him or her in connection with the defense of or as a consequence of any threatened, pending, or completed action, suit, or proceeding (whether civil or criminal) in which he or she is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he or she shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty, or in relation to a proceeding by or for the right of the Association in which a director or

officer was adjudged liable to the Association or in relation to a proceeding where a director or officer was adjudged liable on the basis that personal benefit was improperly received by that director or officer.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust, or other enterprise.

Nothing contained in this Article 13 or elsewhere in these Bylaws shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

I, Suzanne Dantin, as Sole Incorporator of the Association do hereby adopt and approve the foregoing Bylaws, this the 17 day of January, 2024.

Stonebrook Homeowners' Association, Inc.

By: _____
Suzanne Dantin, Sole Incorporator

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Thru: ERX

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Bk OR Vol 204 Page 1949 - 1952

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHEROKEE)

AMENDMENT TO COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR STONEBROOK SUBDIVISION

THIS AMENDMENT TO COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR STONEBROOK SUBDIVISION (the "Amendment") is made on the date on the signature page hereof by Mark III Properties, LLC, a Delaware limited liability company (herein referred to sometimes as "Mark III" and sometimes as "Declarant").

WHEREAS, Mark III recorded that certain Declaration of Covenants, Conditions and Restrictions for Stonebrook Subdivision in Deed Book 203 at Page 2675 in the Office of the Register of Deeds for Cherokee County (hereinafter, the "Original Declaration," which together with all supplements and amendments thereto, if any, are referred to as the "Declaration"); and

WHEREAS, all capitalized terms not defined in this Amendment shall have the same definition as used in the Declaration; and

WHEREAS, Declarant desires to amend certain provisions of the Declaration pursuant to the terms hereof; and

WHEREAS, pursuant to Article X Section 4 of the Declaration, Declarant reserves the right to amend the Declaration without the consent of any Owner so long as Declarant owns at least one Lot in the Subdivision.

NOW THEREFORE, the Declarant amends the Declaration as follows:

1. Definition of "Approved Builder." Article I, Section 3 is hereby amended by adding the following sentence: "MHC Carolina, LLC, a South Carolina limited liability company, is an

Approved Builder for so long as it owns a Lot or has a contractual right to purchase one or more Lots from Declarant."

2. Definition of "Declarant." Article I, Section 9 is hereby amended by deleting the last sentence of said section and replacing it with the following sentence: "At such time as Declarant no longer is the Owner of a Lot in the Subdivision and no longer has the right to annex any Additional Property, the rights of Declarant under this Declaration shall inure without further action to the Association."

3. Voting Rights for Class B Members. Article III, Section 2 is hereby amended by deleting the second sentence following the "Class B Members" heading and replacing it with the following sentence: "The Class B Membership shall cease and be converted to Class A Membership when (i) Declarant and any Approved Builder(s) elect by written notice to the Association to convert their Class B Membership to Class A Membership; or (ii) the last Lot in the Subdivision is transferred by deed to an entity or individual other than the Declarant or an Approved Builder and the Declarant no longer has the right to annex any Additional Property into the Property."

4. Initiation Fee. Article IV, Section 3 is hereby amended by deleting the first sentence of said Section and replacing it with the following sentence: "The Initiation Fee shall be set by the Declarant and Approved Builder MHC Carolina, LLC, for so long as it owns at least one Lot, and paid by the purchaser of a Lot to the Association contemporaneously with each transfer of ownership of any Lot to a party other than the Declarant or an Approved Builder."

5. Shortfalls and Loans by Declarant. Article IV, Section 12 is hereby amended by replacing the heading "Obligations of the Declarant with respect to Maintenance Assessments" with the heading "Shortfalls and Loans by Declarant."

6. Plan of Design Approvals. Article VI, Section 1 is hereby amended by adding the following sentence to the end of Section 1: "Notwithstanding the foregoing, Approved Builder MHC Carolina, LLC has approval for both Initial Improvements and Improvements under this Article."

7. "Amendment." Article X, Section 4 shall be amended by adding the following sentence to the end of said Section: "Notwithstanding the foregoing, Declarant shall obtain the written consent of Approved Builder MHC Carolina, LLC for any amendment that affects any of its rights, interest and/or title to any Lot prior to the amendment becoming effective."

8. "Annexation." Article X, Section 5, paragraph (b) is hereby amended by changing the time limit in which Declarant may annex Additional Property without the consent of the Class A Members from ten (10) years from the date of the Original Declaration to twenty (20) years from the date of the Original Declaration.

9. Except as amended or supplemented hereby or previously amended or supplemented, the aforementioned terms and conditions of the Declaration shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has hereunto set its hand and seal effective this 8th day of October, 2026.

WITNESSES

MARK III PROPERTIES, LLC

By:
Name: Laura B. Hentoorn
Its: Vice President

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGEMENT
COUNTY OF SPARTANBURG)

I, Melody S. Terpack, Notary Public for the State of South Carolina, do hereby certify that Laura B. Hentoorn his/her capacity as Vice President of Mark III Properties, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 8th day of October, 2026.

Notary Public for South Carolina
Printed Notary Name: Melody S. Terpack
My Commission Expires: September 25, 2028

MELODY S. TERPACK
Notary Public-State of South Carolina
My Commission Expires
September 25, 2028

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AMENDMENT $25.00
BKOR Vol 204 Page 1968 - 1969

AMENDMENT TO BYLAWS

OF

STONEBROOK HOMEOWNERS' ASSOCIATION, INC.

WHEREAS, the Bylaws of Stonebrook Homeowners' Association, Inc. (the "Bylaws") were recorded on August 12, 2026 in Deed Book 202 at Page 942 in the Office of the Register of Deeds for Cherokee County and govern the administration of Stonebrook Homeowner's Association, Inc. (the "Association"); and

WHEREAS, the Declaration of Covenants, Conditions, Easements and Restrictions for Stonebrook Subdivision was recorded in Deed Book 203 at Page 2675 in the Office of the Register of Deeds for Cherokee County, as supplemented and amended from time to time (collectively, the "Declaration"); and

WHEREAS, Article 2 of the Bylaws provides that capitalized terms in the Bylaws have the meaning set forth in the Declaration, as supplemented and amended from time to time; and

WHEREAS, Section 11.1 of the Bylaws authorizes the Class B Members, at their option, to amend the Bylaws without obtaining the consent or approval of any other person or entity; and

WHEREAS, Declarant is the sole Class B Member under the Declaration and Bylaws as of the date hereof;

WHEREAS, Declarant desires to amend the Bylaws to conform the provisions governing relinquishment of control and the appointment and removal of directors to the Declaration.

NOW THEREFORE, Declarant, as the sole Class B Member of the Association, hereby amends the Bylaws in accordance with the terms set forth below.

1. Recitals; Controlling Terms. The recitals set forth above are incorporated herein as if fully restated herein. Capitalized terms used herein which are not specifically defined shall have the meanings provided for in the Bylaws.

2. Amendment of Section 3.8. Section 3.8 of the Bylaws is deleted in its entirety and replaced with the following: "**Section 3.8 Relinquishment of Control**. The Class B Membership shall cease and be converted to Class A Membership only upon: (i) the date upon which both of the following have occurred: (A) the last Lot in the Subdivision is transferred by deed to an entity or individual other than Declarant or an Approved Builder, and (B) Declarant no longer has the right to annex any Additional Property into the Property pursuant to the Declaration; or (ii) such earlier date as Declarant and Approved Builder MHC Carolina, LLC may agree in writing delivered to the Association. For purposes of this Section 3.8, the Lots and Property shall include all Lots and Additional Property annexed and made subject to the Declaration before Declarant's right to annex Additional Property expires or otherwise terminates."

3. Amendment to Section 4.1. Section 4.1 of the Bylaws is deleted in its entirety and replaced with the following: "**Section 4.1 Number**. The business and affairs of the Association shall

initially be managed by a Board of three (3) directors, who shall be appointed by Declarant during and for so long as there is a Class B Membership. During such period, Declarant shall have the exclusive right to appoint the directors. After the cessation of the Class B Membership pursuant to Section 3.8, the Board shall consist of at least three (3) directors elected as provided in these Bylaws."

4. Amendment to Section 4.7. Section 4.7 of the Bylaws is deleted in its entirety and replaced with the following: "**Section 4.7 Removal and Vacancies**. After the Class B Membership ceases pursuant to Section 3.8, any director may be removed from the Board of Directors, with or without cause, by a fifty-one percent (51%) vote of the Members of the Association. In the event of death, resignation or removal of a director after the cessation of the Class B Membership, the director's successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of the director's predecessor. The Members may elect a director at any time to fill any vacancy not filled by the Board of Directors. For so long as there is Class B Membership, each director shall serve at the pleasure of Declarant and may be removed and replaced by Declarant, with or without cause. Any vacancy occurring during such period shall be filled exclusively by Declarant."

3. Effective Date. This Amendment shall become effective on the date last signed (the "Amendment Date").

The undersigned, representing the sole Class B Member of the Stonebrook Homeowners' Association, Inc., have set his/her hands and seals to this Amendment to the Bylaws as of the date written below the signature.

CLASS B MEMBER:

MARK III PROPERTIES, LLC

By: _____

Name: Laura B. Hurthorn

Its: Vice President

Date: October 8, 2026